

No. 15249

IN THE

# United States Court of Appeals

FOR THE NINTH CIRCUIT

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C. S. JOHNSON COMPANY, a Corporation,

*Appellant,*

*vs.*

MERLE W. STROMBERG, Doing Business as California  
Batching Equipment Co.,

*Appellee.*

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APPELLEE'S BRIEF.

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**APPELLEE'S BRIEF.**

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**Statement of Jurisdiction.**

This is an appeal from the judgment of the District Court dismissing the complaint. Plaintiff has appealed.

The action was tried before the District Court upon the issues formed by the complaint [R. 3] and the answer [R. 10] and by a pre-trial stipulation wherein the charge of infringement of the patent in suit was limited to claims 1 and 5 thereof and the count for unfair competition was dropped.

The jurisdiction of the District Court was based upon the patent laws of the United States (28 U. S. C. 1338(a)).

The District Court at the conclusion of trial, briefing and oral argument expressed its opinion verbally [R. 647-650]. Accordingly, findings of fact, conclusions of law and a judgment were prepared and adopted by the Court and filed May 18, 1956 [R. 78-84]. A notice of appeal was filed by plaintiff June 12, 1956 [R. 85].

This Court has jurisdiction of the appeal and the appeal was timely (28 U. S. C. 1291, 1292(4)).

## Statement of the Case.

### (a) The Trial Court's Decision.

Johnson Patent No. 2,138,172 issued November 29, 1938, on an application filed February 10, 1937, and expired November 29, 1955.

The District Court held the patent in suit and more particularly claims 1 and 5 thereof invalid under Revised Statutes 4887 (35 U. S. C. 32 (1946 Ed.)) on the ground that the subject matter disclosed therein had been in public use in this country more than two years prior to the filing of the application for patent. The District Court expressly refused to determine, in the absence of such prior public use, whether the patent in suit was valid or infringed [R. 648].

### (b) The Patent in Suit Is Invalid as Lacking Invention.

The assertions of appellant on pages 5 to 12 of its opening brief have no support in either the findings of fact, conclusions of law or judgment of the trial court. These assertions merely represent the contentions of plaintiff and not the evidence as actually presented in the record. It is believed that the record fully establishes a lack of any invention in the patent in suit under the law as announced in *Great A. & P. Tea Co. v. Super-Market Equip. Corp.*, 340 U. S. 147, 95 L. Ed. 162; *Park-In-Theatres v. Perkins* (9 Cir., 1951), 190 F. 2d 137; *Himes v. Chadwick* (9 Cir., 1952), 199 F. 2d 100; *Kwikset Locks v. Hillgren* (9 Cir., 1954), 210 F. 2d 483; *Photochart v. Photo Patrol* (9 Cir., 1951), 189 F. 2d 625.

The patent is likewise invalid because the claims do not define patentable subject matter under the doctrine of *Reckendorfer v. Faber* (1876), 23 L. Ed. 719; *Willard, et al. v. Union Tool Co.* (9th Cir., 1918), 253 Fed.

48. Claim 1 of the patent defines two hoppers suspended from separate scales, each functioning entirely independently of and without regard to the other.

The plaintiff seeks to establish that a pre-mix or intermingling was his contribution to the art. This is vigorously denied and it is believed the record clearly establishes the contrary. See the prior art patent to Johnson, No. 1,687,499, and particularly the third paragraph of Column 1, Exhibit B. Plaintiff's expert witness, Wright, was unable to distinguish this teaching from that of the patent in suit in any manner brought out in the claims of the patent in suit [R. 232].

The testimony actually established that there is no such pre-mixing or intermingling and it has nothing to do with the quality of the concrete batched according to plaintiff's own witness, Pearman [R. 255-257, 263-264]. Pearman was the owner and operator of the accused batching plant [R. 241].

Even plaintiff's expert, Wright, testified that any pre-mix or intermingling which might be achieved was dependent entirely upon the relationship of the discharges of the cement and aggregate hoppers [R. 180, 186, 196, 217, 226]. Separate weighing had no effect on this intermingling [R. 203]. In other words, according to plaintiff's expert, the invention, if any, lies in making the discharges concentric and positioning one above the other with the uppermost discharge smaller than the lowermost. This relationship is not defined by claims 1 or 5. It is, of course, fundamental that a new element or limitation cannot be read into a claim which would otherwise be invalid. (*Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 93 L. Ed. 672.)



If the record contains any evidence at all of the presence of invention, the invention is not defined by the claims.

Plaintiff's so-called expert, Wright, testified without the benefit of any tests whatsoever to support his opinion as to what goes on in the patented device [R. 222]. His testimony was pure speculation not based upon actual observation or test. He admitted he did not have the educational background or any knowledge of the simple laws of physics upon which to base his opinions [R. 222, 223, 236, 237, 238, 239].

The witness Wisniski who has all the educational background [R. 422] and practical experience [R. 423-435] necessary to qualify him as an expert, testified that any discussion of pre-mix or intermingling in the Johnson type plant of the patent in suit was pure speculation [R. 441] and couldn't be established in the absence of any tests to prove or disprove the theory [R. 442].

Because of the lacking of any findings of fact, or conclusions of law or judgment from which an appeal would lie on the issues of validity or infringement, except on the prior use issue, appellee will not attempt to fully brief these questions. It is believed from what has hereinbefore been stated, that the claims in issue are clearly invalid. The record is full of conflicting testimony on the presence or absence of invention and infringement, and before this Court can exercise its appellate office, the case would have to be returned to the District Court for appropriate decision.

Since the trial court confined its judgment to one issue, that is, the existence of the prior use at 235 Alabama Street, San Francisco, California, and since this is the sole issue raised on this appeal, the appellee will hereinafter confine its brief to this issue.



## ARGUMENT.

### I.

The Prior Use at 235 Alabama Street Invalidates Claims 1 and 5 of Johnson, Patent No. 2,138,172.

The District Court was convinced of the existence of the Alabama Street plant in 1931 and more than two years prior to the filing of the application for the patent in suit. The District Court was convinced the Alabama Street plant was constructed and operated in accordance with the teaching of the patent in suit and consequently, the patent in suit is invalid.

Elaborate findings of fact were made by the District Court which fully support its judgment. The District Court had an opportunity to observe the witnesses, Murasko, Cornett and Bodinson, both on direct and cross-examination and believed their testimony [see Findings of Fact 22, 23, 24, R. 83]. Under Rule 52(a) of the Federal Rules of Civil Procedure, such findings of fact shall not be set aside unless clearly erroneous.

Thus, on this appeal the burden is on the appellant, not merely to establish that the findings might be wrong or that different findings might have found support in the record, but to convince this Appellate Court that the findings of trial court were "clearly erroneous." The trial court followed the test set forth in *Whiteman v. Mathews* (9th Cir., 1954), 216 F. 2d 712 [see Findings of Fact 11, 14, R. 80, 81], and concluded that the facts were conclusively established and beyond a reasonable doubt.

There was no evidence to the contrary offered. The trial was continued from March 16, 1956, until April 23, 1956, to permit appellant to investigate this prior use

and present any conflicting or contrary evidence. No request was made for a greater period of time or for any extension thereof. No evidence was offered by appellants when the trial reconvened on April 23, 1956 [R. 599, 604].

Thus, the record before the trial court clearly established the existence of the Alabama Street plant, its construction and mode of operation more than two years prior to the filing date of the patent in suit. There is no conflicting evidence. The appellant tries to reduce by its argument the quantum of proof but is unable to point to any evidence in the record tending to disprove the existence of the Alabama Street plant or its construction.

**(a) Murasko's Testimony.**

Vernon Murasko worked at the Alabama Street plant from 1931 until 1942 as an operator thereof, and for the last six years as superintendent [R. 490]. He testified as to its construction in 1931 and to the manner in which it was constructed and operated. He drew from his recollection, based upon more than 11 years' familiarity, a sketch, Exhibit E, illustrating same. He testified that the Alabama Street plant had a cement hopper within an aggregate hopper [R. 485] each suspended from separate scales [R. 486] which is the identical structure defined by claim 1 of the patent in suit. He also testified that the hopper discharges were concentrically disposed and positioned one above the other, which is the structure defined by claim 5 of the patent in suit.

The District Court believed Murasko's testimony [Finding of Fact 22, R. 83]. His testimony alone based upon 11 years' operation of the plant in question is sufficient to support the findings that the patent in suit was antici-

pated by and involved no invention over the Alabama Street plant. In this respect this case closely parallels the situation before this Court in *Whiteman v. Mathews* (9 Cir., 1954), 216 F. 2d 712, where oral evidence alone was held to be sufficient to establish a prior use. Here we have a disinterested witness whose testimony in no way was impeached, who testified from 11 years' experience with the Alabama Street plant and to whose testimony the Court gave full credence after having had the opportunity to see and hear him testify [Finding of Fact 22, R. 83]. It is submitted that the testimony of Murasko standing by itself is adequate to support the judgment of the trial court (*Whiteman v. Mathews (supra)*).

**(b) Cornett's Testimony.**

Cornett was also a disinterested witness whose testimony stands unimpeached. The trial court had an opportunity to see and hear his testimony and the Court believed him [Finding of Fact 23, R. 83].

Cornett testified that the Alabama Street plant was constructed in 1931 [R. 526] although he was not familiar with its interior until 1933 [R. 529]. Cornett worked as an operator of the Alabama Street plant from 1933 to 1947 [R. 518], both before and during the time Murasko was superintendent [R. 591, 592]. Despite the obvious attempt during cross-examination to obtain some conflict in his testimony, Cornett repeatedly testified that he worked a total of 12 years with Murasko except for a brief period during the depression, the last six years of which were under Murasko when he was appointed superintendent.

The effort on page 24 of appellant's brief to limit the testimony of Cornett to some time in 1936 is a miscon-

ception of what his and Murasko's testimony consisted and is contrary to the record [R. 530].

Cornett testified as to the construction and mode of operation of the Alabama Street plant and established its date of construction more than two years prior to the filing date of the patent in suit. It had a hopper within a hopper [R. 519] suspended from separate scales [R. 519, 522] and confirmed that Exhibit E accurately portrayed this construction [R. 519]. He testified as to the positioning of the discharges and the resulting operation [R. 522].

The testimony of the witness Cornett fully supports the judgment of the trial court. It is submitted that this oral testimony in and of itself is sufficient under the rule of *Whiteman v. Mathews*. This witness testified from 14 years' experience as an operator of the Alabama Street plant as to its construction. He has not been impeached and there is no conflicting testimony and the trial court gave full credence to his testimony [Finding of Fact 23, R. 83].

Surely the testimony of Murasko corroborated and fully supported by the testimony of Cornett and in the absence of any conflicting evidence, established the existence and construction of the Alabama Street plant more than two years prior to the filing date of the patent in suit.

### (c) The Documentary Evidence.

Exhibits A, and F through P are drawings and invoices for the Alabama Street plant produced from the records of the Bodinson Manufacturing Company. Fred W. Bodinson, president of the Bodinson Manufacturing Company, testified as to the method of making and filing such records by his company, that such drawings and

invoices were made in the regular course of business and that it was the regular course of business to make such records. This documentary evidence corroborates the oral testimony as to the date of construction of the Alabama Street plant as well as its construction. It is submitted that appellants' interpretation of Exhibit K is erroneous and not in accord with any of the testimony in the record.

(d) The Evidence Relating to the Alabama Street Plant Is  
Not Conflicting.

This first so-called conflict in the evidence asserted by appellant is supposed to be in Murasko's having failed to suggest that in the plant the concrete ingredients were pre-mixed or intermingled. As previously pointed out in this brief, appellee believes the record fails to establish that in any Johnson-type plant such action takes place. Murasko testified as to the construction of the plant, that it embodied a cement hopper within an aggregate hopper [R. 485] each suspended from separate scales [R. 486] which is the device defined by claims 1 and 5. If, as appellant urges, any pre-mixing or intermingling occurs in the Johnson plant, then it also must occur in the Alabama Street plant. The alleged infringing structure follows the teaching of the prior art and if the claims are construed broadly enough to be infringed by appellee's construction, they are invalid as reading directly on the prior art.

The second so-called conflict in the evidence is based upon the erroneous interpretation of the testimony of Cornett. Cornett testified that he worked *under* Murasko for six years but before then had worked *with* him for an additional six years and from 1933 to 1936 as an operator of the Alabama Street plant [R. 518, 591, 592].



Cornett's description of the operation of the Alabama Street plant is consistent with that of appellant's own witness, Pearman, who testified that in the accused structure no pre-mixing or intermingling in the sense appellants assert, takes place [R. 255, 257, 263, 264] as previously discussed in this brief.

Cornett's description of the construction and operation of the Alabama Street plant is entirely consistent with that of Murasko and with the documentary evidence. In an effort to find some argument, appellants now claim that the mounting for the air ram for operating the cement hopper discharge gate would somehow prevent the hoppers from moving independently. Such an assertion is completely inconsistent with the testimony of the witness, Cornett, and the other testimony in the record [R. 594, 595]. Obviously, where several tons of material are involved, the presence of springs to hold the air ram would not affect the ability of the hoppers to move independently. Indeed, to adversely affect the ability of the hoppers to move independently, a monstrous spring would have to have been substituted for the light, flexible springs described by Cornett which merely functioned to permit a floating support for the ram.

The trial court, upon hearing the testimony, found correctly that the Alabama Street plant was constructed more than two years prior to the filing date of the patent in suit. The trial court also found that the Alabama Street plant utilized all of the structure of claim 1 of the patent that is an aggregate hopper, a cement hopper disposed therein and weighing means for each hopper and means connecting the hoppers with the weighing means so that each may move independently relative to the other. None of the so-called inconsistencies, none of which is admitted, detracts from the fact that the Alabama Street

plant included this claimed combination. The plant also clearly included all of the elements of claim 5 of the patent in suit, including the concentrically disposed discharges. The Court found that the tubular water discharge was within the skill of the art and did not amount to invention [Findings of Fact 20 and 21]. Clearly the evidence supports the findings of fact and they cannot be set aside as clearly erroneous. (F. R. C. P., Rule 52(a).)

## II.

### The Trial Court Correctly Admitted Evidence Relative to the Alabama Street Plant.

Appellant admits that it is within the discretion of the trial court under Title 35, U. S. C., Section 282, to admit proof of a prior use in the absence of notice thirty days prior to trial. It is appellant's contention that this discretion was abused.

In discussing whether or not the trial court abused its discretion, appellant proceeds as though only the parties involved are in interest. It is, however, axiomatic that in patent litigation the public interest is paramount. (*Hycon v. Koch* (9 Cir., 1955), 219 F. 2d 353.) The sales manager for the western states for appellant identified several other infringers of the patent in suit, Likens Manufacturing Company, Thompson Tank & Steel Company, LaValley Ready-Mix Conveyor Equipment Company [R. 275, 277], all in the Los Angeles area. If this patent is held valid and infringed, all will be subject to litigation on this patent.

The trial court was fully cognizant of this paramount public interest, however, and in the interests of fairness, the trial was continued more than thirty days to be certain that appellant had ample opportunity to uncover



any possible conflicting evidence. It is apparent that appellant has not in any way been prejudiced by the trial court's action. They have been prejudiced by the existence of the Alabama Street plant as it invalidates the patent in suit but in no way was appellant prejudiced by obtaining thirty days' continuance during the trial instead of before it to endeavor to disprove the existence of the defense.

Irrespective of the difficulties encountered by appellee's prior counsel referred to on pages 34 and 35 of appellant's brief and without conceding in any way any responsibility, therefore, this is hardly any justification for precluding establishing a defense in this suit particularly where the public interest and not that of the litigants is paramount. (*Hycon v. Koch (supra).*)

It is to be noted that appellee was once before precluded from establishing a similar defense when a timely motion for a continuance [R. 47] was opposed by appellant and denied by the trial court.

The appellant claims it was prejudiced by failure to obtain the thirty days' notice before trial, yet it admits it was unable to discover any rebuttal evidence from May 16, 1956, to April 23, 1956, the period during which the trial was continued for this purpose. The appellant argues it was not given adequate time to prepare for cross-examination, and yet the record is lacking any request for same. The record is lacking any request that the witness return April 23, 1956, for additional cross-examination. The appellant forced appellee to trial before appellee was fully prepared. It seeks to preclude proof of invalidity of its patent by relying upon a section of the patent act of 1953, which was amended for the obvious purpose of permitting the trial court to prevent just

what appellant seeks to do here. There was no abuse of discretion and no prejudice to appellant. If appellant had wished to assert surprise it should have moved for a continuance, otherwise, it waives this objection.

### III.

#### **The Trial Court Did Not Err in Permitting Introduction of the Documentary Evidence.**

Title 28, U. S. C., Section 1732(a), provides for the introduction in evidence of documents which by their nature are reliable and to be trusted and is a relaxation of a long-accepted exception to the hearsay rule. (*New York Life Ins. Co. v. Taylor* (C. A., D. C., 1944), 147 F. 2d 297.)

In the present instance, the records were taken from the files of the Bodinson Manufacturing Company. The president of that organization testified that such documents were made in the regular course of business and that it was the regular course of business to make such documents at the time of such act, transaction, occurrence or event.

Appellants base their objection to the introduction of said documents on the grounds that the witness was not with the company prior to 1940 and the documents in question were made in 1931. Appellee finds no such exception in the statute, nor any reported case supporting appellant's position. Appellee agrees that mere presence in the files does not render these documents admissible. The present instance, however, is clearly distinguishable in that the evidence establishes that the documents were made in the regular course of business and it was the regular course of business to make such records at the time of the act, transaction, occurrence or event.

Thus, the critical question presented is whether or not it is sufficient to permit introduction of such records to establish that an organization has constantly followed the same system of keeping records and that the documents in question were filed and retained in accordance with such system or is it necessary to produce a witness who was present at the instant the records were made and filed.

If this latter interpretation were correct, then all corporate records, no matter how inherently trustworthy they are, would be excluded from evidence as soon as they became of sufficient age that no employee who was present at the time same were made and filed would be available [R. 553].

The purpose of former Section 695 of Title 28, U. S. C., which formed a basis for this section was to eliminate the necessity for locating and calling as witnesses the individuals who kept the records.

*Ettelson v. Metropolitan Life Ins. Co.*, (3 Cir., 1947), 164 F. 2d 660;

*New York Life Ins. Co. v. Taylor* (C. A., D. C., 1944), 147 F. 2d 297, reh., 147 F. 2d 30.

The documents involved herein are such a nature as to be inherently trustworthy. It is certainly within the purpose of Section 1732(a) to permit introduction of such documents. The documents also fall within the literal language of the statute defining those documents which are admissible. Consequently, unless some exception not expressed in the statute and unsupported by any reported case appellee has been able to discover is evolved the documents, Exhibits A, and F through P were properly admitted into evidence.

### Conclusion.

The appellant in point IV of its brief asserts that infringement of the patent in suit is clear. This is controverted. If the claims are to be interpreted, as appellant contends, as limited to a device wherein the so-called pre-mixing or intermingling occurs, then this is not present in appellee's structure according to appellant's own witness Pearman [R. 255, 257, 263, 264]. In any event, the questions of validity and infringement are disputed and the case must be remanded for suitable findings. (*Yanish v. Barber* (9 Cir., 1956), 232 F. 2d 939.)

It is respectfully submitted that the judgment should be affirmed. The record clearly establishes the existence of the Alabama Street plant in 1931. The testimony of Murasko, Cornett, Bodinson and Exhibits A, and F through P establish this fact. The construction and operation of this plant openly and publicly in San Francisco in accordance with the alleged invention defined by claims 1 and 5 of the patent in suit is established by the testimony of Murasko, Cornett and Exhibits A and F through P. There can be no doubt of these facts and there was none in the mind of the trial court. Under the decision of this Court in *Whiteman v. Mathews* (*supra*) the oral testimony of Murasko and/or Cornett alone is sufficient. Exhibits A and F through P substantiate and corroborate this oral testimony but their exclusion from evidence would not alter the trial court's conclusion. There was no abuse of discretion in permitting proof of the prior public use, even if the Court had excluded same it would form the basis for a motion under Rule 59, Federal Rules of Civil Procedure, for a new trial so that appellant was in no way prejudiced. (*Jules D. Gratiot, et al. v. Farr Company* (9 Cir., 1956), Appeal No. 13,352.)

In view of the paramount public interest involved in patent litigation the Court adopted the most desirable course of permitting appellant to hear all of the evidence on the issue and then granted a period longer than the statutory period to appellant to endeavor to present conflicting evidence. This appellant admittedly could not do according to page 38 of its opening brief. Hence, the judgment of the trial court must be affirmed.

Respectfully submitted,

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